

**Form 51-101 F1**

**Bonanza Resources Corporation**

**Statement of Reserves Data**

**And Other Oil and Gas Information**

**As of October 31, 2010**

## Table of Contents

	Page
Glossary of Terms	2
Form 51-101 F1, Part 1 Date of Statement	3
Part 2 Disclosure of Reserve Data	4
Part 3 Pricing Assumptions	5
Part 4 Reconciliations of Changes in Reserves	6
Part 5 Additional Information Relating to Reserves Data	6
Part 6 Other Oil and Gas Information	7

## Glossary of Terms

Reserves	Estimated reserves of natural gas, natural gas liquids and crude oil.
Working interest	Those lands in which the Company receives its acreage share of net production revenues.
Gross reserves	Estimated reserves before royalties based on working interest.
Net reserves	Estimated reserves after royalties based on working interest.
Future net revenue	Working interest revenues after royalties, development costs, production costs and well abandonment costs, but before administrative, overhead and other such indirect costs. Future net revenue may be presented either before or after tax.
Proved reserve	Reserve that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
Probable reserves	Reserve that is less certain than proved reserve at being recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserve.
Developed reserve	Reserve that is expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g. when compared to the cost of drilling a well) to put the reserves on production.
Producing reserve	Reserve that is expected to be recovered from completion intervals open at the time of estimate. The category of reserve may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
Non-prod. reserve	Reserve that either has not been on production, or has previously been on production, but is shut-in, and the date of resumption of production is unknown.
Stb/stock tank barrel	A 42-US gallon barrel of crude oil at standard conditions of 1 atmosphere and 60 °F.
M	Thousand (1,000).
Mbbl	1,000 barrels of oil and/or natural gas liquids.
MMBtu	A unit of heat energy equal to one million British thermal units.
Mcf	1,000 cubic feet of natural gas.
Bcf	One billion (1,000,000,000) cubic feet of natural gas
bbl or barrel	A 42-US gallon barrel of crude oil or natural gas liquids.
Undeveloped reserve	Reserve that is expected to be recovered from known accumulation where a significant expenditure is required to render them capable of production (e.g. in comparison to the costs of drilling a well). Such reserve must fully meet the requirements of the reserve classification to which they are assigned (proved or probable).

**Form 51-101 F1****Statement of Reserves Data and Other Oil and Gas Information for Bonanza Resources Corporation****Part 1 Date of Statement**

Date of Statement: February 10, 2011  
Effective Date: October 31, 2010  
Preparation Date: February 15, 2011

The following information is related to Bonanza Resources Corporation (the “Reporting Issuer”) future net revenue and discounted value of future net cash flow of natural gas and condensate. LaRoche Petroleum Consultants (“LPC”), independent qualified evaluators of Dallas, Texas estimated these reserves effective October 31, 2010. The Company used these reserves in the preparation of our Financial Statements for the fiscal year ended October 31, 2010.

All of the Company’s oil and gas reserves are onshore in the country of United States of America.

The reserves on the properties described herein are estimates only. Actual reserves on our properties may be greater or less than those calculated.

The estimated future net revenue contained in the following tables does not necessarily represent the fair market value of the reserves. There is no assurance that forecast prices and costs assumed in the LPC evaluation will be attained, and variances could be material. Assumptions and qualifications relating to costs and other matters are summarized in the notes to the following tables.

The following tables provide reserves data and a breakdown of future net revenue by commodity and reserve category using constant and forecast prices and costs, based on the Company’s working interest portion before royalties (gross) and/or after royalties (net) (see “Glossary of Terms”).

The pricing used in tables that reflect forecast price evaluations is set forth in Items 3.1 and 3.2. All cash flow data is in U.S. dollars unless stated otherwise.

In certain instances, numbers may not total due to computer-generated rounding. In such cases, differences are not material and amounts presented are as shown in the LPC Report.

## Part 2 Disclosure of Reserves Data

### Item 2.1 Reserves Data (Forecast Prices and Costs)

#### Item 2.1.1 Breakdown of Reserves (Forecast Case)

Onshore U.S.A.	Gas		Oil		NGLs		TOTAL	
	Gross (Mmcf)	Net (Mmcf)	Gross (Mbbbl)	Net (Mbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mboe)	Net (Mboe)
Reserve Category								
Proved developed producing	8,275.570	89.835	76.521	2.012	0	0	1,455.782	16.984
Proved developed non-producing	862.523	10.446	38.912	.898	0	0	182.665	2.639
Proved Undeveloped	2,560.000	21.256	12.056	.102	0	0	438.722	3.644
<b>Total Proved</b>	<b>11,698.093</b>	<b>121.537</b>	<b>127.489</b>	<b>3.012</b>	<b>0</b>	<b>0</b>	<b>2,077.169</b>	<b>23.267</b>

Probable (None Estimated)

Possible (None Estimated)

#### Item 2.1.2 Net Present Value of Future Net Revenue (Forecast Case)

Onshore U. S. A.	Before Income Tax Present Value Discounted @					Unit Value based on Discount @ 10%
	0%	5%	10%	15%	20%	
Reserve Category	(M\$ U.S.)	(M\$ U.S.)	(M\$ U.S.)	(M\$ U.S.)	(M\$ U.S.)	\$/Boe
Proved developed producing	406.371	292.126	227.345	186.489	158.611	13.39
Proved developed non-producing	82.514	64.750	53.136	45.039	39.108	20.13
Proved Undeveloped	45.211	22.265	9.994	3.011	(1.128)	2.75
<b>Total Proved</b>	<b>534.096</b>	<b>379.141</b>	<b>290.475</b>	<b>234.539</b>	<b>196.591</b>	<b>12.48</b>

Probable (None estimated)

Possible (None estimated)

Onshore U. S. A.	After Income Tax Present Value Discounted @					Unit Value based on Discount @ 10%
	0%	5%	10%	15%	20%	
Reserve Category	(M\$ U.S.)	(M\$ U.S.)	(M\$ U.S.)	(M\$ U.S.)	(M\$ U.S.)	\$/Boe
Proved developed producing	284.449	204.480	159.136	130.541	111.016	9.36
Proved developed non-producing	57.760	44.847	36.413	30.549	26.249	13.79
Proved Undeveloped	31.646	14.004	4.712	(.475)	(3.475)	1.29
<b>Total Proved</b>	<b>373.855</b>	<b>263.331</b>	<b>200.261</b>	<b>160.615</b>	<b>133.790</b>	<b>8.67</b>

Probable (None Estimated)

Possible (None Estimated)

**Item 2.1.3 Additional Information Concerning Future Net Revenue (Forecast Case)**

Onshore, U.S.A.	Revenue	Severance Taxes	Operating Costs	Development Costs	Well Abandonment Costs (1)	Future Net Revenue Before Income Tax	Future Income Tax Expenses	Future Net Revenue After Income Tax
<u>Reserve Category</u>	<u>(M\$ U.S.)</u>	<u>(M\$ U.S.)</u>	<u>(M\$ U.S.)</u>	<u>(M\$ U.S.)</u>	<u>(M\$ U.S.)</u>	<u>(M\$ U.S.)</u>	<u>(M\$ U.S.)</u>	<u>(M\$ U.S.)</u>
Total Proved	858.783	60.928	194.968	66.061	2.731	534.096	160.241	373.855

Unit Value based on  
Discount @ 10%

<u>Reserve Category</u>	<u>(\$/Boe)</u>
Total Proved	12.48
Total Proved plus Probable	12.48
Total Proved, Probable plus Possible	12.48

**Item 2.2 Supplemental Disclosure of Reserves Data (Constant Prices and Costs)**

Not applicable.

**Item 2.3 Reserves Disclosure Varies with Accounting**

Not applicable.

**Item 2.4 Future Net Revenue Disclosure Varies with Accounting**

Not applicable.

**Part 3 Pricing Assumptions****Item 3.1 Constant Prices Used in Estimates**

Not applicable.

**Item 3.2 Forecast Prices Used in Estimates**

**Item 3.2.1 (a)**

The historical oil and gas prices were taken from NYMEX 5 year forward strip as of 10/31/2010. The forecast prices are as follows:

Year	WTI, \$/bbl	Henry Hub, \$/Mmbtu
2010	77.90	3.80
2011	80.73	4.13
2012	83.67	4.74
2013	84.01	5.01
2014	84.02	5.14
2015	84.02	5.14
2016	84.02	5.14
2017	84.02	5.14
2018	84.02	5.14
2019	84.02	5.14
2020	84.02	5.14

(1)All prices are listed in U.S. dollars.

**Item 3.2.1(b)** Not applicable.

**Item 3.2.2** Not applicable.

**Item 3.2.3** Not applicable.

## Part 4 Reconciliations of Changes in Reserves

### Item 4.1 Reserves Reconciliation

	Natural Gas			Oil			NGL's			TOTAL		
	Proved (Mmcf)	Probable (Mmcf)	Proved Plus Probable (Mmcf)	Proved (Mbbbl)	Probable (Mbbbl)	Proved Plus Probable (Mbbbl)	Proved (Mbbbl)	Probable (Mbbbl)	Proved Plus Probable (Mbbbl)	Proved (Mboe)	Probable (Mboe)	Proved Plus Probable (Mboe)
<b>Oct 31, 2008</b>	<b>218</b>	<b>0</b>	<b>218</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38</b>	<b>0</b>	<b>38</b>
Extensions	11	0	0	1	0	1	0	0	0	3	0	3
Improved Recovery	0	0	0	0	0	0	0	0	0	0	0	0
Technical Revisions	(22)	0	(22)	(1)	0	(1)	0	0	0	(4)	0	(4)
Discoveries	0	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
Dispositions	(36)	0	(36)	0	0	0	0	0	0	(6)	0	(6)
Economic Factors	(20)	0	(20)	0	0	0	0	0	0	(3)	0	(3)
Production	(29)	0	(29)	0	0	0	0	0	0	(5)	0	(5)
<b>Oct 31, 2010</b>	<b>122</b>	<b>0</b>	<b>122</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>0</b>	<b>23</b>

## Part 5 Additional Information Relating to Reserves Data

### Item 5.1 Undeveloped Reserves

The Company's proved undeveloped reserves exist in the Lasley field in Oklahoma, US. Plans for the future development of these undeveloped reserves (based on Forecast Prices) are summarized below:

#### United States of America Properties

##### **Lasley Field, Oklahoma**

LPC assigns 3.644 Mboe Net Proved Undeveloped reserves to the Lasley field. The production forecast is based on producing the existing wells, and drilling an additional 2 gross wells and applying the historical production behavior to the undeveloped wells locations.

The Proved Undeveloped Reserves are based upon drilling two wells in 2013. Well spacing is currently down-spaced to 80 acres per well through applications for increased density in the objective Red Fork sandstone. At current and forecast gas prices, these proved undeveloped locations are marginal economically.

#### **Volumes o**

The volumes forecast for proved undeveloped reserves are based upon analogy with existing wells in the Lasley field that directly offset the two wells projected.

### Item 5.2 Significant Factors or Uncertainties

The process of evaluating reserves is inherently complex. It requires significant judgements and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance



becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices, and economic conditions. These factors and assumptions include among others: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability of production; (vii) effects of government regulations; and (viii) other government levies imposed over the life of the reserves.

As circumstances change and additional data becomes available, reserve estimates also change. Estimates are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performances, prices, economic conditions, and government restrictions. Revisions to reserve estimates can arise from changes in year-end prices, reservoir performance, and geologic conditions or production. These revisions can be either positive or negative.

### **Item 5.3 Future Development Costs**

A summary of the estimated develop costs deducted in the estimation of future net revenue attributable to various reserves categories and prepared under various price and cost assumptions are summarized below. The Company expects to fund its estimated future develop costs through some combination of equity and debt financing. There can be no guarantee that funds will be available or that the Board of Directors of the Company will allocate funding to develop all of the reserves requiring development. Failure to develop such reserves could negatively impact future net revenue.

#### **Future Development Costs**

<b>Year</b>	<b>Proved Reserves (M\$)</b>	<b>Proved + Probable Reserves (M\$)</b>
2011	9	9
2012	-	-
2013	53	53
<b>TOTAL</b>		

## **Part 6 Other Oil and Gas Information**

### **Item 6.1 Oil and Gas Properties and Wells**

#### *Lasley Field, Oklahoma (onshore)*

#### **Item 6.1.2 Gross and net oil and gas wells:**

Lasley field, Oklahoma (onshore), U.S.A.

**Producing Wells**

**Non-Producing Wells**

<u>County</u>	Oil Wells		Gas Well		Oil Wells		Gas Wells	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Caddo	0	0	16	.23	1	.005	2	.008
<b>Total</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>.23</b>	<b>1</b>	<b>.005</b>	<b>2</b>	<b>.008</b>

**Item 6.2 Properties with No Attributed Reserves**

Bonanza participated in the North Fork 3D seismic program in Beaver County, Oklahoma in late 2008. Subsequently, Bonanza farmed out its interest in the Castelli Nowlin 1-19 exploration well which was drilled based upon this seismic data. The well was plugged and abandoned as a dry hole after failing to encounter the objective Pennsylvanian-age sandstone reservoir. The company assigns no value to the seismic and any remaining leasehold and has no current plans for further exploration.

**Item 6.3 Forward Contracts**

The Company has no forward sales contracts fixing the price of oil or natural gas.

**Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs**

The Company uses the industry's historical costs to estimate its abandonment and reclamation costs when available. If the representative comparison are not readily available, an estimate is prepared based on the various regulatory abandonment requirements.

As at October 31, 2010, the Company has a working interest in sixteen producing wells. For all current and future abandonment and reclamation costs for the production, these costs were estimated in the reserve report based upon historical data and current regulatory requirements

**Item 6.5 Tax Horizon**

Canada: As of October 31, 2010, the Company has no revenue generating properties in Canada.

United States: The Company has approximately US\$ 595,471 non-capital losses that can be carried forward to offset future US taxable income.

**Item 6.6 Costs Incurred**

None

**Item 6.7 Exploration and Development Activities**

During the year ended October 31, 2010, the Company participated in no drilling or exploration activity

**Item 6.8 Production Estimates from November 1, 2010 to October 31, 2011**

net for the year ending 10/31/2011

	Oil (Bbls)	Natural Gas (Mcf)	NGL's (Bbls)	Company Total (BOE)
United States				
Caddo County, OK	1	11	-	2

(1) Net reserves are the gross reserves after deduction of royalties.

(2) Forecast case estimate is the same for the future net proved production estimate for the financial year-ending October 31, 2011.

